

**Attorney-Client Communication**  
**Privileged & Confidential**

**RETAINER AGREEMENT**

1. This Agreement represents the complete understanding between the Washington Lawyers' Committee for Civil Rights & Urban Affairs and Howrey Simon Arnold & White LLP (hereinafter collectively "the Attorneys"), and Jeff Schmidt (hereinafter "the Client") with respect to the provision of legal services.

2. The Client hereby retains the Attorneys to provide representation with respect to a civil action in the United States District Court for the District of Columbia against the American Institute of Physics seeking declaratory and permanent injunctive relief and damages based on allegations of retaliatory employment practices (hereinafter "the Matter").

3. It is understood that the Attorneys' representation is limited to the Matter, and representation of the Client in any other matter or proceedings, including any appeal of the Matter and the pursuit of the Matter in any other forum, must be the subject of a new retainer agreement.

4. The terms listed below shall have the following meanings when used in this Agreement:

a. "Fees" shall include all charges for legal services rendered by the Attorneys in connection with the Matter, including without limitation the fees of attorneys, paralegal assistants, summer associates, and other professionals and support personnel, as permitted by law.

b. "Costs" shall include all out of pocket charges incurred in connection with the Matter, including without limitation witness fees, expenses associated with deposition transcripts and/or videos, expert witnesses' costs and fees (including computer use and storage charges, if necessary), local travel, reasonable travel expenses, hotel accommodations, out-of-town meal expenses when necessitated by travel, duplicating charges, long distance telephone bills, telecopies, computer research, and other expenses associated with the Matter.

6. The Attorneys will not charge the Client for their services or for the costs incurred in the Matter except as specified in the following paragraphs of this Agreement.

7. The Attorneys' fees will be calculated utilizing the "lodestar" method. The "lodestar" amount reflects the number of hours reasonably worked multiplied by a reasonable hourly rate for the work performed. The billing rates for the staff and attorneys likely to engage in work on the Matter are as follows:

Howrey Simon Arnold & White:

Patricia G. Butler	\$470	per hour
Erik Koons	\$345	per hour
Yolanda Hawkins	\$305	per hour
Chad Murchison	\$235	per hour
Legal Assistants	\$240	per hour

Washington Lawyers' Committee

Warren K Kaplan	\$380	per hour
Legal Assistants	\$ 95	per hour

Further, the Client acknowledges that these rates are subject to periodic, reasonable increases and that additional personnel may become involved in the Matter as it proceeds.

8. Calculation and Payment of Fees. The Attorneys will seek compensation for their services through the recovery from the Defendant of their Fees and Costs to the maximum extent permitted by the civil rights laws and other applicable laws. By retaining the Attorneys, the Client agrees that, in the event of any monetary recovery in the Matter, whether by judgment, settlement or otherwise, the Attorneys will be entitled to receive the Fees and Costs incurred by them, to be calculated and paid on the following basis:

(a) Court Judgment: In the event the Client prevails in the Matter, the Attorneys will request an award for reasonable fees and costs incurred by them in connection with the Matter. The Attorneys reserve the right to seek full market value for their fees and costs, as well as all multipliers or other enhancements that may be available or permitted by law. Except as otherwise provided in the remainder of this section, the Client agrees to pay and the Attorneys agree to accept as full compensation whatever final award is made by the Court, subject to any necessary or appropriate appellate review of such an award.

(b) Settlement without Separately Designated Fees and Costs: If the Matter is resolved by a lump sum settlement, or through an offer of judgment which is accepted, that provides for a monetary award to the Client, but that does not contain a separate provision for fees and costs and waives the Client's right to seek court-awarded fees and costs, then the Attorneys' fees and costs, calculated according to the definitions and terms of this Agreement, shall be deducted from the lump sum and paid to the Attorneys.

(c) Settlement with Fees and Costs: If the Matter is resolved by a lump sum settlement, or through an offer of judgment that is accepted, that provides for the payment of a monetary sum to the Client and designates a specific sum for payment of Fees and Costs, that designation shall not be effective as between the Client and the Attorneys,

unless otherwise directed by the Court. In such case the Attorneys shall be entitled to the actual Fees and Costs, calculated according to the definitions and terms of this Agreement. Thus, if that portion of the lump sum designated for payment of Fees and Costs is less than the amount of actual Fees and Costs, the remainder owed by the Client to the Attorneys will be deducted from the remainder of the lump sum payment.

(d) Pursuant to sub-sections 8(a) through (c) of this Agreement, the Client hereby authorizes the Attorneys to withhold from any monies recovered in connection with the Matter an amount equal to (a) the Costs paid by the Attorneys in connection with the Matter and (b) the Attorneys' Fees, as calculated by these sub-sections.

(e) The Client understands that, in agreeing to the foregoing terms of compensation, the Attorneys incur the risk that they will not be reimbursed for the Costs incurred by them in connection with the Matter, or receive any payment for their legal services in connection with the Matter, in the event the Client does not recover through settlement, judgment, or otherwise.

9. The Client agrees to cooperate in any way reasonably necessary to recover the Attorneys' Fees and Costs generated in the Matter, including having any litigation concerning the Attorneys' entitlement to attorneys' fees and costs filed in the Client's name. The Client hereby assigns to the Attorneys all rights to recover attorneys' fees and costs generated in the Matter. The Client further agrees that the Attorneys retain the discretion to pursue the recovery of those attorneys' fees and costs in any manner they deem appropriate.

10. The Client understands that the Attorneys have agreed to provide legal representation in the Matter because they believe, on the basis of facts now known, that the claims may raise important civil rights issues. The Client further understands that if the Attorneys determine during the course of their representation, on the basis of newly discovered facts or changed circumstances, that in their professional judgment the claim(s) in this proceeding should be dismissed, settled, or otherwise compromised, and the Client declines to pursue action which the Attorneys think appropriate, the Attorneys reserve the right to withdraw from further representation in connection with the Matter.

11. The Client acknowledges and understands that any lawsuit is inherently uncertain and that the Client may recover only nominal damages or no money at all in connection with the Matter.

12. The Client will keep the Attorneys informed of any changes in the Client's address or telephone number and will cooperate in attending any proceeding where the Attorneys tell the Client that the Client's presence is needed, in providing any information the Attorneys may need about the Matter, and in attending meetings with the Attorneys as necessary. The Client further understands the need to respond quickly and accurately to discovery requests and to keep the Attorneys informed of any changes in the Client's circumstances or facts that the Client knows might affect the Client's claim(s). The Client also understands that the Attorneys reserve the right to withdraw from their representation at any time if the Client is untruthful or fails to cooperate.

13. The Attorneys reserve the right at any time to limit the scope of the legal assistance provided to the Client and to decline to assist the Client with respect to certain matters. The Attorneys are reserving these rights, among other reasons, because (1) the variety and extent of the Client's legal needs are unknown at this time; (2) the Attorneys may not have sufficient experience to provide assistance to the Client on a particular matter; and (3) the Attorneys may not have adequate and reasonably available resources to assist the Client in a particular matter.

If the Attorneys limit the scope of representation or decline to represent or assist the Client in connection with any matters arising in connection with the Matter, the Attorneys will (1) inform the Client of the matters on which the Attorneys are unable or unwilling to represent or assist the Client; and (2) to the extent feasible, refer the Client to another lawyer who may be able to represent and assist the Client in connection with the matter.

14. The Client understands that the terms of this Agreement are negotiable and are not set by law.

15. Any and all oral representations are merged into this written document. Any subsequent modification or alteration to this Agreement shall be effective only if it is in writing and signed by the Attorneys and the Client.

16. This Agreement may be signed in counterparts.

17. The laws of the District of Columbia shall govern the interpretation of this Agreement.

18. The Client has carefully read over and fully understands the above terms of this Agreement and requests the services and assistance described therein. The Client understands the terms of the Agreement, and, by signing it, agrees to engage the Attorneys on the terms and conditions described above.

SEEN AND AGREED TO:

14 May 04  
Date

J. Schmidt  
Jeff Schmidt

5/13/04  
Date

Warren K. Kaplan  
Warren K. Kaplan  
Washington Lawyers' Committee for Civil  
Rights and Urban Affairs

5.14.04

Date

Patricia G. Butler

Patricia G. Butler

Howrey, Simon, Arnold & White